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DEPARTMENT OF COMMERCE

International Trade Administration

[A-122-857]

Certain Softwood Lumber Products from Canada: Antidumping Duty Order and Partial Amended Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (the ITC), Commerce is issuing an antidumping duty order on certain softwood lumber products (softwood lumber) from Canada.

DATES: [INSERT DATE OF PUBLICATION IN THE *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Stephen Bailey at (202) 482-0193, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 735(d) and 777(i)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), on November 8, 2017, Commerce published an affirmative final determination in the less-than-fair-value (LTFV) investigation of softwood lumber from Canada.¹ On December 26, 2017, the ITC notified Commerce of its affirmative determination that an industry in the United States is materially injured within the meaning of section

¹ See *Certain Softwood Lumber Products from Canada: Final Affirmative Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 82 FR 51806 (November 8, 2017) (*Final Determination*).

735(b)(1)(A)(i) of the Act, by reason of the LTFV imports of softwood lumber from Canada and its determination that critical circumstances do not exist with respect to imports of subject merchandise from certain producers subject to Commerce's affirmative critical circumstances determination.²

On November 13, 2017, Canfor Corporation (Canfor), one of the mandatory respondents, alleged that Commerce made ministerial errors with respect to the calculation of Canfor's dumping margin in the final determination.³ We agree that the alleged errors were made, and are amending Canfor's dumping margin as well as the All-Others rate.⁴

Scope of the Order

The product covered by this order is softwood lumber from Canada. For a complete description of the scope of this order, *see* the Appendix to this notice.

Antidumping Duty Order

In accordance with sections 735(b)(1)(A)(i) and 735(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that an industry in the United States is materially injured by reason of imports of softwood lumber from Canada. The ITC also notified Commerce of its determination that critical circumstances do not exist with respect to imports of softwood lumber from Canada subject to Commerce's critical circumstances finding.⁵ Therefore, in accordance with section 735(c)(2) of the Act, Commerce

² See Letter to Gary Taverman, Acting Assistant Secretary of Commerce for Enforcement and Compliance, from Rhonda K. Schmidlein, Chairman of the U.S. International Trade Commission, regarding certain softwood lumber products from Canada (December 26, 2017) (ITC Letter).

³ See Comments from Canfor Corporation dated November 13, 2017.

⁴ See Memorandum, "Final Affirmative Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances of Certain Softwood Lumber Products from Canada: Allegations of Ministerial Errors," dated December 4, 2017.

⁵ See ITC Letter.

is issuing this antidumping duty order. Because the ITC determined that imports of softwood lumber from Canada are materially injuring a U.S. industry, unliquidated entries of such merchandise from Canada, entered or withdrawn from warehouse for consumption, are subject to the assessment of antidumping duties.

As a result of the ITC's final determination, in accordance with section 736(a)(1) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise, for all relevant entries of softwood lumber from Canada. Antidumping duties will be assessed on unliquidated entries of softwood lumber from Canada entered, or withdrawn from warehouse, for consumption on or after June 30, 2017, the date of publication of the preliminary determination,⁶ but will not include entries occurring after the expiration of the provisional measures period and before publication of the ITC's final injury determination as further described below.

Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct CBP to continue to suspend liquidation on all relevant entries of softwood lumber from Canada. These instructions suspending liquidation will remain in effect until further notice.

Commerce will also instruct CBP to require cash deposits equal to the amounts as indicated below. Accordingly, effective on the date of publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit equal to the cash deposit rates listed

⁶ See *Certain Softwood Lumber Products from Canada: Preliminary Affirmative Determination of Sales at Less Than Fair Value*, 82 FR 29833 (June 30, 2017) (*Preliminary Determination*).

below.⁷ The relevant all-others rate applies to all producers or exporters not specifically listed, as appropriate.

Provisional Measures

Section 733(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months, except where exporters representing a significant proportion of exports of the subject merchandise request Commerce to extend that four-month period to no more than six months. At the request of exporters that account for a significant proportion of softwood lumber from Canada, Commerce extended the four-month period to six months in each case.⁸ In the underlying investigation, Commerce published the preliminary determination on June 30, 2017. Therefore, the extended period, beginning on the date of publication of the preliminary determination, ended on December 26, 2017. Furthermore, section 737(b) of the Act states that the collection of final, estimated cash deposits will begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 733(d) of the Act and our practice, Commerce will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of softwood lumber from Canada entered, or withdrawn from warehouse, for consumption after December 26, 2017, the date on which the provisional measures expired, until and through the day preceding the date of publication of the ITC's final

⁷ See section 736(a)(3) of the Act.

⁸ See *Certain Softwood Lumber Products from Canada: Postponement of Final Determination of Less-Than-Fair-Value Investigation and Extension of Provisional Measures*, 82 FR 41609 (September 1, 2017).

injury determinations in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

Critical Circumstances

With regard to the ITC's negative critical circumstances determination on imports of subject merchandise from Canada, Commerce will instruct CBP to lift suspension and to refund any cash deposits made to secure the payment of estimated antidumping duties with respect to entries of subject merchandise entered, or withdrawn from warehouse, for consumption on or after April 1, 2017 (*i.e.*, 90 days prior to the date of publication of the preliminary determination), but before June 30, 2017, (*i.e.*, the date of publication of the preliminary determination).

Estimated Weighted-Average Dumping Margins

The weighted-average antidumping duty margin percentages and cash deposit rates are as follows:

Exporter or Producer	Weighted-Average Dumping Margin (percent)
Canfor Corporation	7.28
Resolute FP Canada Inc.	3.20
Tolko Industries Ltd. and Tolko Marketing & Services, Ltd.	7.22
West Fraser Mills Ltd.	5.57
All-Others	6.04

This notice constitutes the antidumping duty order with respect to softwood lumber from Canada pursuant to section 736(a) of the Act. Interested parties can find a list of antidumping duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is published in accordance with section 736(a) of the Act and 19 CFR 351.211(b).

Dated: December 28, 2017.P. Lee Smith,
Deputy Assistant Secretary for
Policy and Negotiations.

Appendix

Scope of the Order

The merchandise covered by this order is softwood lumber, siding, flooring and certain other coniferous wood (softwood lumber products). The scope includes:

- Coniferous wood, sawn, or chipped lengthwise, sliced or peeled, whether or not planed, whether or not sanded, or whether or not finger-jointed, of an actual thickness exceeding six millimeters.
- Coniferous wood siding, flooring, and other coniferous wood (other than moldings and dowel rods), including strips and friezes for parquet flooring, that is continuously shaped (including, but not limited to, tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded) along any of its edges, ends, or faces, whether or not planed, whether or not sanded, or whether or not end-jointed.
- Coniferous drilled and notched lumber and angle cut lumber.
- Coniferous lumber stacked on edge and fastened together with nails, whether or not with plywood sheathing.
- Components or parts of semi-finished or unassembled finished products made from subject merchandise that would otherwise meet the definition of the scope above.

Finished products are not covered by the scope of this investigation. For the purposes of this scope, finished products contain, or are comprised of, subject merchandise and have undergone sufficient processing such that they can no longer be considered intermediate products, and such products can be readily differentiated from merchandise subject to this investigation at the time of importation. Such differentiation may, for example, be shown through marks of special adaptation as a particular product. The following products are illustrative of the type of merchandise that is considered “finished” for the purpose of this scope: I-joists; assembled pallets; cutting boards; assembled picture frames; garage doors.

The following items are excluded from the scope of this investigation:

- Softwood lumber products certified by the Atlantic Lumber Board as being first produced in the Provinces of Newfoundland and Labrador, Nova Scotia, or Prince Edward Island from logs harvested in Newfoundland and Labrador, Nova Scotia, or Prince Edward Island.
- U.S.-origin lumber shipped to Canada for processing and imported into the United States if the processing occurring in Canada is limited to one or more of the following: (1) Kiln drying; (2) planing to create smooth-to-size board; or (3) sanding.
- Box-spring frame kits if they contain the following wooden pieces – two side rails, two end (or top) rails and varying numbers of slats. The side rails and the end rails must be radius-cut at both ends. The kits must be individually packaged and must contain the exact number of wooden components needed to make a particular box-spring frame, with

no further processing required. None of the components exceeds 1” in actual thickness or 83” in length.

- Radius-cut box-spring-frame components, not exceeding 1” in actual thickness or 83” in length, ready for assembly without further processing. The radius cuts must be present on both ends of the boards and must be substantially cut so as to completely round one corner.

Softwood lumber product imports are generally entered under Chapter 44 of the Harmonized Tariff Schedule of the United States (HTSUS). This chapter of the HTSUS covers “Wood and articles of wood.” Softwood lumber products that are subject to this investigation are currently classifiable under the following ten-digit HTSUS subheadings in Chapter 44:

4407.10.01.01; 4407.10.01.02; 4407.10.01.15; 4407.10.01.16; 4407.10.01.17; 4407.10.01.18; 4407.10.01.19; 4407.10.01.20; 4407.10.01.42; 4407.10.01.43; 4407.10.01.44; 4407.10.01.45; 4407.10.01.46; 4407.10.01.47; 4407.10.01.48; 4407.10.01.49; 4407.10.01.52; 4407.10.01.53; 4407.10.01.54; 4407.10.01.55; 4407.10.01.56; 4407.10.01.57; 4407.10.01.58; 4407.10.01.59; 4407.10.01.64; 4407.10.01.65; 4407.10.01.66; 4407.10.01.67; 4407.10.01.68; 4407.10.01.69; 4407.10.01.74; 4407.10.01.75; 4407.10.01.76; 4407.10.01.77; 4407.10.01.82; 4407.10.01.83; 4407.10.01.92; 4407.10.01.93; 4409.10.05.00; 4409.10.10.20; 4409.10.10.40; 4409.10.10.60; 4409.10.10.80; 4409.10.20.00; 4409.10.90.20; 4409.10.90.40; and 4418.99.10.00.

Subject merchandise as described above might be identified on entry documentation as stringers, square cut box-spring-frame components, fence pickets, truss components, pallet components, flooring, and door and window frame parts. Items so identified might be entered under the following ten-digit HTSUS subheadings in Chapter 44:

4415.20.40.00; 4415.20.80.00; 4418.99.90.05; 4418.99.90.20; 4418.99.90.40; 4418.99.90.95; 4421.99.70.40; and 4421.99.97.80.

Although these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

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